

# **The Small Business Investment and Promotion Act**



## **Increasing Government Contracting Opportunities For Small Businesses**

Federal law sets a goal of awarding 23 percent of its contract work to small businesses. With the federal domestic marketplace now totaling about \$285 billion a year, and overseas work amounting to an additional \$82 billion, these awards can be a powerful stimulus for the growth of American small businesses. However, the government has not met this goal for the last 5 years in a row.

In addition, only domestic federal contracts are currently included under the small business contracting targets. This means that the vast majority of overseas contracts are awarded to large firms. In fact, although over 90 percent of U.S. companies that export are small businesses, the government awards only one percent of its overseas contracts to small companies.

| The Small Business Investment and Promotion Act would require the government to include federal contracts carried out overseas in its calculation of small business goals. Although small businesses may not be equipped to handle all large overseas projects, this statutory change would help ensure that federal agencies do more to provide small businesses with opportunities to compete for federal contracts.

---